

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. 911-031
on its own motion, to establish)
surcharges assessed on users of)
prepaid wireless service and,) ORDER CLARIFYING AND
methods for the collection and) MODIFYING METHODS OF
remittance of surcharges from) COLLECTION AND REMITTANCE
carriers offering prepaid)
wireless services.) Entered: July 1, 2008

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

On June 19, 2007, the Nebraska Public Service Commission (Commission) hereby opens this proceeding, on its own motion, to establish surcharges assessed on users of prepaid wireless service and methods for the collection and remittance of surcharges from carriers offering prepaid wireless services as required by the Enhanced Wireless 911 Services Act, Neb. Rev. Stat. § 86-441, et seq. (Cum. Supp. 2006), as amended by Nebraska Laws LB 661 [2007] (the Act).

The Commission retained the three methods for the collection and remittances of surcharges by prepaid carriers previously contained in the Act prior to the passage of LB 661 and permitted carriers to also propose alternatives. The three methods currently available are as follows:

- a) The wireless carrier shall divide the total earned prepaid wireless telephone revenue received by the wireless carrier within the monthly reporting period by fifty dollars and multiply the quotient by the surcharge amount;
- b) The wireless carrier shall collect on a monthly basis the surcharge from each customer's active, prepaid account. A customer with two or more active, prepaid accounts shall be assessed a separate surcharge for each active, prepaid account; or
- c) A wireless carrier shall remit the surcharge upon the activation of the active prepaid account and upon each replenishment of additional minutes purchased by the prepaid customer.

Each wireless carrier offering prepaid services was required to notify the Commission as to which method it would utilize no later than September 1, 2007 or at the time the wireless carrier remitted payment of any surcharges attributable to prepaid wireless service, whichever was sooner.

The Commission finds that it is necessary to clarify the obligations of prepaid wireless carriers with respect to the remittance of 911 surcharges when utilizing option (b) outlined above. Each wireless carrier offering prepaid services is required to remit an amount comparable to the \$.50 for each customer's active, prepaid account. Therefore, if a sufficient number of minutes are not available to cover the \$.50 surcharge, the wireless carrier is responsible for the remittance of any difference to the Commission.

Furthermore, no wireless carriers have elected to utilize option (c) as outlined above. Upon further review, it has been determined that difficulties would exist with the auditing of any wireless carrier utilizing option (c). Additionally, the Commission believes that the option would likely not result in the remittance of comparable amounts to the surcharges paid by post-paid wireless carriers and those offering prepaid services and utilizing the other options. Therefore, the Commission finds that option (c) shall be eliminated.

All surcharges attributable to prepaid wireless service shall be subject to the same audit and reporting requirements as all other surcharge revenue.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that option (c) shall be eliminated.

IT IS FURTHER ORDERED that each wireless carrier offering prepaid services is required to remit an amount comparable to the \$.50 for each customer's active, prepaid account. Therefore, if a sufficient number of minutes are not available to cover the \$.50 surcharge, the wireless carrier is responsible for the remittance of any difference to the Commission.

MADE AND ENTERED at Lincoln, Nebraska this 1st day of July, 2008.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director